

Transmission costs calculated by Black & Veatch and used in the Phase 1 economic ranking assume simultaneous delivery of the full nameplate generating capacity of every CREZ. This conservative approach, appropriate for a high-level screening analysis, likely overstates the amount and cost of the transmission facilities necessary to meet current state GHG and renewable energy goals. As agreed by the SSC in its Phase 1A Report, Black & Veatch treated major transmission projects in Southern California approved by the CAISO or publicly owned utilities as already built. Some generating projects in CREZs near these facilities thus were not assessed for a portion (or all) of their transmission route. Black & Veatch performed a sensitivity analysis in this Phase 1B Final Report to investigate the effect an assumption of such “free” transmission had on CREZ ranking, and found little effect (see Table 5-15, Economic Analysis Results – Full Transmission Cost Allocation). Comments on the Draft Phase 1B Report questioned whether transmission costs likely to be incurred by Northern California Load-Serving Entities importing renewable energy from Southern California resources were adequately accounted for. A more detailed analysis of transmission costs addressing all of these issues will be carried out in Phase 2, and the results used to re-rank CREZ as appropriate.

Results of the economic assessment and the environmental assessment described below are intended only to guide initial planning of the transmission facilities necessary to meet state renewable energy goals. The assessments are not intended to usurp local, state or federal project permitting authority, nor to impinge on the ability of renewable energy to be developed in other areas. Inclusion or omission of a resource area in a CREZ is not intended to prejudge the economic or environmental viability of any project. Any project, whether inside or outside a CREZ, may seek access to transmission capacity developed as a result of RETI or otherwise, consistent with market processes, transmission policy and permitting requirements.

Environmental Assessment of CREZs

At the direction of the SSC, the EWG assessed potential environmental concerns associated with CREZs identified by Black & Veatch and the renewable energy development areas within them. The EWG is chaired by the two environmental group representatives on the Stakeholder Steering Committee and involved active participation by a large number of stakeholders. Details of the EWG assessment and the results are described in the “Environmental Assessment of CREZs” chapter of this report.

substantial reductions in solar cost can be achieved, then both large scale solar resources and non-CREZ solar resources would benefit significantly. More information is provided in section 5 of the Economic Assessment.